

Inside & Out

DECEMBER, 1990

COMPAQ NEWS

VOLUME 8, ISSUE 12

1990 – New decade brings changes, opportunities

The world had much to celebrate in 1990. So did Compaq. Sales and earnings continued to rise at a rapid pace, new subsidiaries were opened and dealers were authorized around the world, including in Eastern Europe. Compaq announced an unprecedented number of new products, including its most recent – the COMPAQ LTE 386s/20, the first application of aerospace technology in a notebook PC. As the main campus and international sites continue to expand, worldwide employment topped 10,000.

Following are some highlights of company accomplishments in 1990.

JANUARY

(Jan. 1) The COMPAQ LTE and LTE/286 landed a spot on the FORTUNE magazine 1989 "Products of the Year" list. The annual listing is a compilation of the "trendiest, hottest-selling and the most innovative new products." COMPAQ products graced many 1989 awards listings worldwide.

Cable television's Financial News Network (FNN) named Rod Canion, CEO, as one of its five "Masters of the Decade" for the 1980s. FNN chose Canion its top CEO for leading Compaq "from \$100 million in sales to \$1 billion in only six years."

(Jan. 16) The company increased standard memory two to four times on new models of some 386-based

personal computers without raising prices.

FEBRUARY

(Feb. 1) Compaq announced sales for fiscal year 1989 reached \$2.9 billion, up 39 percent from 1988 sales of \$2.1 billion. Net income for the year was \$333 million, or \$7.76 per share on a fully diluted basis. Earnings grew 31 percent compared with net income of \$255 million, or \$6.27 per share on a fully diluted basis, in 1988.

Europe and international sales grew 62 percent over 1988 and exceeded \$1 billion for the first time.

Founded in 1982, Compaq celebrated its eighth year of business.

(Feb. 6) A joint technology agreement combined the resources of Compaq and Novell, Inc. to develop products that improve reliability of personal computer-based networks. Products developed under this agreement will take advantage of Novell's system fault tolerance technology and the multiprocessing technology of Compaq.

(Feb. 7) James W. Glanville, 66, General Partner at Lazard Freres & Co., a New York-based investment banking firm, was named to the Compaq Board of Directors. His appointment brought the number of board members to six.

(Feb. 21) Compaq Asia celebrated the shipment of its two millionth

Holiday Greetings

Glædelig Jul og Godt Nytår
Danish

Prettige Kerstdagen en een Voorspoedig Nieuwjaar
Dutch

Zalig Kerstfeest, Gelukkig Nieuwjaar
Belgian/Dutch

Merry Christmas and Happy New Year
English

Hyvää Joulua ja Onnellista Uutta Vuotta
Finnish

Buon Natale e Felice Anno Nuovo
Italian

Feliz Navidad y Prospero Año Nuevo
Spanish

Fröhliche Weihnachten und ein Frohes Neues Jahr
German

Joyeux Noël et Bonne Année
French

God Jul og Godt Nytt År
Norwegian

God Jul och Gott Nytt År
Swedish

printed circuit board.

(Feb. 23) Compaq announced the opening of its wholly-owned subsidiary in Austria, Compaq Computer GesmbH. The company also announced the availability of COMPAQ products in Trinidad, a West Indies island.

MARCH

(March 5) The company expanded its product line by announcing the COMPAQ DESKPRO 386/25e, a high performance 25-MHz 80386 personal computer. Compaq also announced new tape drive options, a new COMPAQ SLT/286 memory option and price reductions on selected memory modules.

(March 7) Compaq and Businessland, Inc. announced that Businessland had been re-authorized to sell and service COMPAQ products in the U.S.

(March 26) The company opened four Product Demonstration Centers at its regional offices in Toronto, Chicago, Costa Mesa, Cal., and Uniondale, N.Y. The centers combine efforts of Authorized Dealers, third-party vendors and Compaq in addressing requirements of major customers.

APRIL

(April 2) The most powerful server-based network interface controller available for Token Ring networks – the COMPAQ 32-Bit DualSpeed Token Ring Controller – was announced.

(April 4) The company's ranking rose 45 places to 157 in FORTUNE Magazine's annual listing of the 500 largest U.S. industrial corporations. The Compaq rank according to profits rose 42 places from 118 to 76.

(April 24) Compaq and Microsoft
continued on page 4



Teams throughout the world pulled together to tackle development, positioning, assembly, announcement and distribution of nine new products – more than in any previous year.

Mail Services named "Mailroom of Year"

The Compaq Mail Services Department won the "Mailroom of the Year, 1990" award from the Houston Postal Customer Council (HPCC).

HPCC is comprised of 1,600 members from the U.S. Postal Service and Houston area business mailers.

George Kapacinskis, Manager of Mail Services and Vehicle Management, accepted the award during recent ceremonies at the University of Houston campus.

The award is given annually, but this is the first year Compaq has entered the competition. There are three categories in the contest. Compaq entered the medium-sized class — 3 to 10 million pieces of mail processed per year. The company's full-service mail center processes U.S. mail, international mail, interoffice envelopes and offers overnight courier services.

"It's a job too often taken for granted," says Jimmy Chandler, Director of Operating Services. "I'm proud of the quality effort performed in true Compaq spirit."

All centers were judged in five areas — general work place layout, preparation procedures, staff utilization, security and unique programs. The judging process lasted throughout the summer with visits made to each center by HPCC executive council members.

According to Kapacinskis, entering the competition offered many opportunities. "This matched the goals of TQC at



The award-winning Compaq Mail Room staff.

Compaq. We benchmarked other operations and they measured us. It improved us," he said.

Although there are many reasons he feels Compaq won the competition, Kapacinskis says he believes the smooth implementation of "Quick Six" mail coding was instrumental in capturing the award.

Rich Niermeyer, Manager of

Administrative Services agrees. "The development of Quick Six, the six-digit method of mail coding, has enabled us to pull together the Houston, regional and international offices of Compaq into a single, all-encompassing system. It's a flexible, user-oriented method of mail coding," he says.

Kapacinskis adds, "The judges told me later that they had visited a

number of mail centers, but none was on line with a unique system like ours. I told them we have a mail system that works because of the conscientious employees who use it, and a mail staff that understands service is our purpose."

The department was honored by HPCC with a plaque, a barbecue luncheon and coffee mugs for all.

Yishun facility officially opens

More than 1,600 people — including 850 Compaq employees and 800 guests — turned out for the Compaq Asia manufacturing facility's official opening in Yishun, Singapore on Oct. 5.

The guest of honor for the event was Singapore's BG (RES) Lee Hsien Loong, Minister for Trade and Industry and Second Minister for Defense (Services). His hosts were Compaq Chairman Ben Rosen and Steve Hamblin,

Managing Director, Compaq Asia Pte Ltd. Other special guests included Richard D. Orr, U.S. Ambassador to Singapore; Philip Yeo, Chairman of the Economic Development Board (EDB); and Tan Chin Nam, Managing Director of the EDB.

Also from Compaq, Eckhard Pfeiffer, Compaq President Europe and International, and Bob Vieau, Senior Vice President, Corporate Manufacturing, attended the opening ceremonies.

The 35,000-square-meter (almost 360,000-square-foot) first-phase facility includes nine manufacturing lines, a fully automated warehouse, Research and Development laboratories and multi-purpose office, conference and auditorium facilities. The second phase of the company's multi-million dollar planned investment program in Singapore is expected to double the building's existing capacity.

The move to larger quarters was required by the subsidiary's rapid growth. Established in 1987, Compaq Asia employs more than 950 people and produces more than 120,000 printed circuit boards each month. The facility recently began assembling COMPAQ DESKPRO 386 personal computers,

which are shipped throughout Asia and to Houston for distribution. Production of the COMPAQ DESKPRO 386 marks the company's debut in supplying the Asia Pacific marketplace with locally built personal computers.

In his remarks at the grand opening ceremonies, Compaq chairman Ben Rosen attributed the company's accomplishments in Singapore over the last four years to "Compaq's focused global strategy for the microcomputer market, and to the Singapore team's excellent operation and execution — along with the cooperative and energetic support of the government of Singapore and the country's Economic Development Board."

"Demand in Asia is growing at a healthy clip," Rosen said. "The Pacific region has 2.1 billion potential customers of consumer and industrial goods. We anticipate that Singapore will play an increasingly important role as we grow in Asia."

Guests at the opening were given a tour of the new facility and product displays, followed by a buffet reception. To commemorate the occasion, guests received a framed ceramic tile plaque bearing a 24-karat-gold glaze-printed picture of the new facility.



A multi-media display complemented the address given by Compaq Chairman Ben Rosen at the grand opening ceremony.

Champions line up for Compaq Grand Slam Cup

All systems are go for the first Compaq Grand Slam Cup to be held Dec. 11 - 16 at the Olympiahalle in Munich. Since July, when Compaq signed the agreement to secure the title sponsorship of the Grand Slam Cup, Compaq subsidiaries around the world have been working to ensure its success.

With 16 of the world's top male tennis players signed up, the Compaq Grand Slam Cup is expected to attract a potential television audience of 1 billion viewers. Live matches and match highlights will be broadcast in 70 countries.

A historic event

Many tennis observers believe 1990 has been one of the most fascinating years in Grand Slam history, because it's the first year since 1966 in which all eight singles titles were won by different players. The men's crowns were taken by Australian Open winner Ivan Lendl (Czechoslovakia), French Open champion Andres Gomez (Ecuador), Wimbledon title-holder Stefan Edberg (Sweden) and U.S. Open victor Pete Sampras (U.S.), all of whom will play in the Compaq Grand Slam Cup.

Also competing in the event are top-ranking tennis professionals Christian Bergstrom (Sweden), Michael Chang (U.S.), Andrei Cherkasov (U.S.S.R.), Kevin Curren (U.S.), Goran Ivanisevic (Yugoslavia), Brad Gilbert (U.S.), Aaron Krickstein (U.S.), Henri Leconte (France), Thomas Muster (Austria),



The Olympiahalle in Munich is the focal point for all activities planned at the inaugural Compaq Grand Slam Cup event.

Yannick Noah (France), Jonas Svensson (Sweden) and David Wheaton (U.S.). Thierry Champion (France) has been invited to the tournament as an alternate.

Although the Compaq Grand Slam Cup is a brand-new competition, it's

endorsed by the four Grand Slam tournaments — the U.S., French and Australian Opens and Wimbledon. The term "Grand Slam" was coined in 1938 after Californian Don Budge became the first man to capture all four titles in one year. Australian Rod Laver later achieved this feat. Both these tennis champions will attend the Compaq Grand Slam Cup.

To achieve its goal of expanding awareness of Compaq and its products among a broad audience, Compaq will have a strong presence at the tournament. Besides being title sponsor of the event, Compaq will also demonstrate its wide range of products by offering the 400 journalists and thousands of spectators a comprehensive Compaq tennis database specially developed for

the tournament (see sidebar).

Many Compaq subsidiaries will be represented at the event. Audiences at the tournament will enjoy a spectacular opening ceremony. World-famous tenor Placido Domingo will sing three songs accompanied by a full orchestra. The orchestra will also perform the Compaq Grand Slam Hymn, an original piece of music composed especially for this prestigious event.

According to Eckhard Pfeiffer, President, Compaq Europe and International, "Our involvement with the Compaq Grand Slam Cup gives us a chance to build relationships at every level — with the media, with dealers and with clients — and to demonstrate the size and strength of the company in an exciting way."

Team prepares for innovative event

When 16 top tennis professionals meet in Munich at the Compaq Grand Slam Cup, they'll find Compaq did more than simply sponsor the event.

A Compaq team made up of Media Relations and Technical staff helped introduce a first in international tennis by assembling a comprehensive and detailed tennis database for the world press and, for the first time ever, for spectators.

According to Michael Schiffrers, Technical Project Manager for the Dec. 11 - 16 tournament, about 16 Compaq employees joined representatives of Novell, Inc. and other strategic partners to develop and run the installation.

For the event, Compaq is providing a combination of 100 COMPAQ desktop, laptop and notebook PCs. These computers will enable users to tap into a wealth of detailed historical information and personal data on players. Points and performance, longest rally and number of first serves, for example, will be fed into the database by a resident programmer, giving users immediate access to results as they occur.

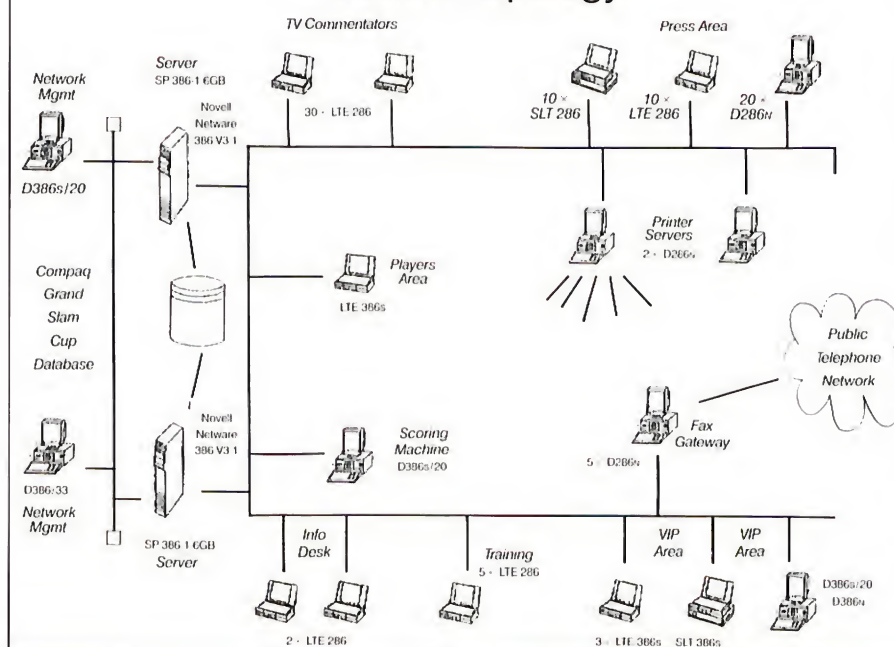
Shandwick Sponsorship, an international public relations group,

worked closely with the International Tennis Federation to compile statistics on the players. These statistics have been input into the Compaq network database. Both press and spectators will have access to personal profiles of each player, including age, education and career path, extracurricular activities, game philosophy and 1990 tournament performance.

The COMPAQ SYSTEMPRO will support networked COMPAQ desktop, laptop and notebook PCs over a Novell NetWare 3.1 local area network to be installed in the Munich Olympiahalle. Because it links the stadium, press office, demonstration areas and hospitality suites, the database can be accessed by anyone attending the event. The user-friendly, on-line menu-driven database gives excellent accessibility for first-time users. Journalists with personal laptop PCs will also be able to link to the network.

The database will be available to tennis fans in Munich and at home. The host broadcaster, SAT 1, will be transmitting on-screen graphics of selected statistics produced by the COMPAQ database to the expected 1 billion viewers in 70 countries.

Compaq Grand Slam Cup Network Topology



New products, growth mark Compaq in 1990

continued from page 1

Corp. announced that Microsoft will supply Microsoft LAN Manager to computer resellers, including selected Compaq Authorized Dealers.

MAY

(May 1) Compaq announced its sales rose to \$872 million during the first quarter of 1990, a 28 percent increase when compared with sales of \$683 million for the first quarter of 1989. Net income of \$92 million, or \$2.13 per share on a fully diluted basis, represented an 11 percent increase over net income of \$83 million, or \$1.95 per share on a fully diluted basis, in the first quarter of 1989.

The company celebrated a major milestone in May — it reached 10,000 in worldwide employment.

More than 22,000 employees and family members attended the 1990 Compaq Houston annual outing to AstroWorld and WaterWorld on two weekends in May.

(May 18) Compaq Computer OY, a wholly-owned subsidiary located in Helsinki, Finland, opened.

(May 21) Two new personal computers with specific built-in features for network use — the COMPAQ DESKPRO 286N and the COMPAQ DESKPRO 386N — were announced. The two new desktop PCs are also suited for stand-alone PC applications. Compaq also introduced the Video Graphics



Two sunny days in May set the stage for this year's annual outing at AstroWorld and WaterWorld. Approximately 22,000 people attended.

Monochrome Monitor, a VGA-compatible display ideal for text-based and graphics applications that are most appropriate for monochrome screens.

(May 24) The Compaq Board of Directors voted to effect a two-for-one stock split.

JUNE

(June 6) Compaq authorized six dealers in Mexico, making COMPAQ products available in that country as well as five South American countries.

(June 18) The COMPAQ SLT 386s/20 and the COMPAQ DESKPRO 386s/20 were introduced. The COMPAQ SLT 386s/20 was the first 20-MHz Intel 386SX introduced with a cache memory design in a laptop form factor. The COMPAQ DESKPRO 386s/20 offers an exceptional combination of performance, features and expandability.

JULY

(July 2) Compaq announced plans to expand sales in Eastern Europe. Four dealers were authorized to sell COMPAQ products in Yugoslavia. A new sales office opened in West Berlin to serve the East German market through 12 Authorized Dealers.

(July 5) The company unveiled its title sponsorship of a Grand Slam tennis event, the Compaq Grand Slam Cup. The tournament will bring together the world's top 16 male tennis players in Munich, West Germany, Dec. 11-16.

(July 23) Compaq introduced two of the most powerful desktop PCs — the COMPAQ DESKPRO 486/33L and the COMPAQ DESKPRO 386/33L. Also announced was the highly anticipated 33-MHz 486-based models of the COMPAQ SYSTEMPRO.

Employment reached 1,000 at Compaq Scotland.

(July 26) Company announced its net income for the second quarter of 1990 rose to \$104 million, a 24 percent increase over net income of \$84 million for the second quarter of 1989. Earnings per share rose to \$1.18, compared with

earnings per share of \$.98 in the corresponding period a year ago adjusted for the two-for-one stock split effective June 29. Sales for the quarter rose to \$862 million from \$722 million a year earlier, a 19 percent increase.

AUGUST

(Aug. 1) Compaq opened its 18th wholly-owned subsidiary, Compaq Computer Hong Kong Limited, to provide a complete range of COMPAQ products to North Asia.

SEPTEMBER

(Sept. 5) For the third time in four years, Compaq was named ComputerLand Corporation's North American 1990 Vendor of the Year for Service. Compaq also received 1990 Vendor of the Year honors for hardware products for the second time.

(Sept. 11) Price reductions across the COMPAQ desktop PC line were announced to position the products more competitively. Suggested resale prices on many products were reduced up to 20 percent. Selected memory options were reduced by an average of 25 percent.

(Sept. 24) Compaq announced the authorization of four dealers in Hungary. These Authorized Dealers are supported from Compaq Computer GmbH international headquarters in Munich, Germany.

(Sept. 28) The Compaq Corporate Games team captured first place in the 1990 Houston Challenge Corporate Games, in which teams from area corporations compete in 24 athletic events over two days. This was the first time the team has won the competition in the past four years of participating.

OCTOBER

(Oct. 9) For the third year in a row, *continued on page 5*



Positive reaction to the COMPAQ SYSTEMPRO increased as more of them were shipped to the field throughout the year.

End of an era Company moves out of Perry Road, Brookhollow

Eight years ago, the first COMPAQ Portable PC rolled off the factory line in a building on Perry Road in Houston. This month, all Perry Road operations will be moved from the original Compaq factory site to the former Gerland's Food Fair site on SH 249 about one mile from the main campus.

The company has been leasing the Perry Road site since November 1982. It was recently bought by a neighboring church, forcing the company to move its operations there to a new location. The old Gerland's store will be named the Compaq Prestonwood location.

According to Ann Attaway of Facilities, the move marks "the end of an era."

Compaq also moved operations from another historical location last month.

The first COMPAQ desktop, the COMPAQ DESKPRO, code named "Project Bullet," was assembled at Brookhollow.

All Brookhollow operations were moved to Sommermeyer. The first COMPAQ desktop, the COMPAQ DESKPRO, code named "Project Bullet," was assembled at Brookhollow.

After serving as the company's first factory for a year, the Perry Road facility

next housed Customer Service as Portable Manufacturing moved to Sommermeyer. Customer Service later moved to Brookhollow, leaving the Perry Road site available for various purposes after that.

Since 1987, Perry Road has been

Most recently, Brookhollow was used as a warehouse and as the location where units were refurbished and serviced before being sent out again...

used as a photo studio. The studio was used to produce documentation and product photography as well as training and product videos. Perry Road was also used for short-term furniture storage.

These operations have moved to the Prestonwood site.

A variety of uses

Brookhollow was used for Desktop Manufacturing until September 1984 when CCM1 opened on the main campus. Since then, it has been used by Customer Service, Distribution, Options and other departments.

Most recently, Brookhollow was used as a warehouse and as the loca-



With the removal of the Compaq sign, the company completed its move from the Perry Road building that had served as its first manufacturing facility.

tion where units were refurbished and serviced before being sent out again — as loaners, evaluation units, etc. These operations have moved to Sommermeyer.

Chapter closing

As the company continues to grow

and the main campus in Houston continues to expand, there will be more shifting of operations to new locations and closings of old facilities. However, the Perry Road and Brookhollow closings will go down in the Compaq history books as the close of a chapter.

Year in review...

continued from page 4

Compaq swept the awards for personal computers in the PC World Magazine 1990 World Class Awards competition. The COMPAQ DESKPRO 386/33 was voted the number one desktop computer; the COMPAQ PORTABLE 386 was recognized as the best transportable computer; and the COMPAQ

ITE/286 won top honors in the laptop computer category.

(Oct. 15) Compaq announced the COMPAQ ITE 386s/20, which claims the first use of advanced aeronautic electronics in a personal computer. Other revolutionary features include a 60-megabyte 2 1/2-inch fixed disk drive, credit card-size memory cards and a

miniature power supply.

The company signed key integration agreements with Microsoft Corporation, Novell, Inc. and The Santa Cruz Operation, Inc. The agreements established a more formal framework for the companies' ongoing efforts to support multivendor PC-based solutions.

(Oct. 24) In the third quarter, Compaq sales rose to \$863 million, a 26 percent increase over sales of \$683 million in the third quarter of 1989. Net income rose 42 percent to \$124 million over net income of \$87 million in the third quarter of 1989. Earnings per share rose to \$1.38 from \$1.01 in the corresponding period a year ago (adjusted for a two-for-one stock split effective June 29, 1990).

NOVEMBER

(Nov. 7) Sixteen of the world's top male tennis players accepted invitations to compete in the first annual Compaq Grand Slam Cup. These included the four Grand Slam champions of 1990 — Australian winner Ivan Lendl, French champion Andres Gomez, Wimbledon title-holder Stefan Edberg and U.S. Open winner Pete Sampras.

Thanks to entrants

Thanks to everyone who sent in their response cards from the October *Inside & Out*. The 10 winners of the drawing of response cards are: Margie DiGiacomo, CCM2; Martha Donnelly, CCM2; Alan Foster, CCM3; Feliks Golendo, Munich office; Tammy Manh, CCA5; Amelia Palmer, CCA5; Lee Parks, CCA8; George Scholhamer, CCA5; Michael Scott, CCA7; and Tom Winans, CCA4.

These lucky winners won a choice of a Compaq umbrella or a Compaq key ring.

Congratulations and thanks for entering!

Don't forget to send in your card from this month's issue!



The opening of a new, state-of-the-art distribution center will help the company achieve its goals for the near future.

Busy fifth birthday for Compaq Canada

Compaq Canada's fifth birthday was easily its busiest.

Though the official anniversary date is Nov. 18, Compaq Canada employees celebrated Oct. 17, while Compaq President Rod Canion was in Toronto to assist with the announcement of the COMPAQ LTE 386s/20.

Canion made his first visit to Compaq Canada facilities at Richmond Hill, Ontario. He attended a Compaq Canada company meeting for the first time and fielded employee questions. He also did his first Canadian TV interview, a three-minute segment on the cable program, "Businessworld."

The Compaq president and CEO met with Canadian channel executives and Compaq representatives.

ComputerLand Canada Vice President of Service Paul Bertin presented Compaq Canada the award for Best Vendor of the Year at the company meeting.



Rod Canion joined in Compaq Canada's fifth birthday celebration by participating in several employee, user and media events.

A military wife sings for others

When she talks about her new song, Compaq employee Donna Mason's voice reflects both pride and sadness. The song, "Military Wives," is very near to her heart. She wrote it for women, like herself, whose husbands serve in the military overseas.

Mason has been a singer and songwriter almost all her life. She's been a Compaq employee for five years and been married to Shane Mason since July of 1989. Shane has been stationed in Korea since last December. "We've been together 60 days since we were married, and we've never really lived together," she says.

For the last three years, Mason has worked as a Corporate Risk Analyst in Risk Management. She handles international and domestic insurance, other than benefits, for the company.

In her spare time, Mason performs at local clubs, especially Molly Maguire's, a night club near the Compaq main campus where she also likes to play darts. In fact, she met her husband playing darts at another dart pub a couple of years ago.

In the U.S. Army, Shane Mason is a specialist fourth class in charge of Armor and Supply for Airborne Support. His unit, which was due to report back to the states for Christmas, has recently been involuntarily extended in Korea until further notice, which means he will not be returning until he is released from the army — which could be as long as seven years.

The Masons decided to marry before he left for Korea, even though they knew they would be separated for a year. "We felt it would be easier if we knew our commitment was sealed," says Mason. "Shane would know that he had someone to come home to, and I would know that he was coming back to me. I can do

anything for a short period of time."

Now the separation will be extended.

"Being a military wife in a non-military town is hard," she says. "Talk about being alone! The Army does the best it can, supplying medical benefits and the like, but we're basically on our own as far as paying bills.

"That's the reason I wrote this song," she continues. "I wanted to let these women know there was a bigger cause and they should be proud they are military wives."

Mason realizes that people who don't have family members serving overseas may not fully realize the problems faced by the family members at home. "I wanted to raise people's awareness of this situation," she explains. "And I wrote it for husbands who are overseas, who may be concerned about how their families are doing."

Her husband has read the lyrics, but hasn't heard the song since he's stationed in the Korean DMZ where there are no facilities to play tapes.

A song with a life of its own

Mason wrote "Military Wives" the night of Oct. 10. The next day, she mentioned the song to a friend who performs at Houston clubs. He asked her to come and sing it for him at the downtown club where he was performing. That night, he accompanied her on guitar while she sang "Military Wives" to a roomful of strangers.

"I explained to the audience what the song was about, and what inspired me to write it. The place came to a standstill while I was singing," she says. "I sang it the following Sunday night at Molly Maguire's, where people knew me, and got the very same reaction."

Not only were the crowds enthusiastic, but so were Mason's musician friends. A keyboard player asked her if he could help produce a recording of the song. A friend of the keyboardist signed up to play drums on the track.

By Monday of the following week, Mason was in a local recording studio. "Two weeks later, we had a finished product in San Antonio being pressed," she concludes. "Noel Records, a Houston-based record label, is releasing the record. The owners loved the song. They hired a promoter and helped me through the complicated publication

and distribution process."

Primarily, Mason hopes her song touches the military wives and families for whom she wrote it. "I wanted to get a message to people who needed to hear it, to uplift them and to give them an anthem to stand behind," she says.

"I wrote this song, because I wanted to do something personally to help military families, especially with the Middle East situation the way it is," she muses. "It's come as a great surprise to me that one person really can do something, given the right circumstances and helpful people along the way."



international FOCUS



Scotland builds strength in numbers

1990 has been a year of achievement for Compaq Scotland. In July, the company celebrated the hiring of its 1,000th employee. In August, the International Service division celebrated its third birthday. In October, the third-phase expansion of the existing manufacturing facility was completed — adding 260,000 square feet (24,180 square meters) of space. And in December, the plant will welcome its 10,000th customer as part of the company's Dealer/Major Accounts Visitors program.

Each of these events, in itself, is a significant milestone for Compaq. Taken together, they add up to tangible evidence of the company's strength in Scotland and its prominent place within the Scottish business community. And all in just over three years!

Over the last 20 years, Scotland's commercial base experienced a radical change. The decline of traditional heavy industry made room for incoming investment from the U.S., Japan and Europe. When Compaq searched for a place for its

will be open within Phase II.

Able to host two visiting groups each day, the Welcome Centre will also boast a restaurant and first-class conference facilities. Bring on the next 10,000 visitors!

Compaq Scotland's entertaining is not confined to the Erskine or Stirling plants, however. In July of this year, the company welcomed customers from Germany, France, Great Britain, Switzerland, Sweden and The Netherlands to a gathering at the British Open Golf Championship in St. Andrews, near the east coast of Scotland. Guests stayed at Scottish Castles in the Borders of Scotland and were taken daily by helicopter to "The Open," to enjoy each day's play and associated entertainment.

Green light for Phase III

Environmental considerations have always played an important role in the development of Compaq Erskine. The distinctive existing parkland surrounding the facility figured largely in the landscaping concept adopted in 1986 and



At the recent company meeting, Compaq Scotland employees participated in a Caribbean-style limbo contest.

European manufacturing operations a few years ago, Scotland seemed the natural choice.

Technologically advanced multinational companies such as Compaq now play a central economic role in Scotland, making this country of 5 million people a European — and global — force in electronics.

Customers really count

There's never a lack of Scottish hospitality when visitors come to the Compaq Scotland plant — but in recent months there has certainly been a lack of space. The existing facility was not planned with thousands of visitors in mind.

Such cramped conditions will soon become a thing of the past. As of early 1991, a specially built Welcome Centre

continues to influence Phase III development.

To duplicate the species native to the area, horse chestnut, ash and lime trees have been planted, along with a variety of evergreen and deciduous shrubs. And the company's roots are reflected in the yellow Texas hedge roses that border the ground-cover planted around buildings. Inside, the planting scheme includes flowering plants to mirror the seasons and add color to the palms, figs and foliage also planted there.

Careful consideration was also given to lighting the facility. CSM2 (Compaq Scotland Manufacturing, Building 2) in Phase III features a pioneer project — a new system to illuminate Compaq Scotland's manufacturing floors. A combination of high-bay illumination and natural light from clerestory windows

| | |
|--------------------------------------|--------------------------------------------------------------------------------------------------------|
| Country Profile | |
| Name: | Scotland |
| Area: | 78,762 square kilometers (30,410 square miles) |
| Population: | 5 million |
| Major Cities: | Edinburgh, Glasgow, Aberdeen, Dundee |
| Islands: | There are 168 islands off the coast of mainland Scotland |
| Manufacturing Profile | |
| Name: | Compaq Computer Manufacturing Ltd. |
| Established: | September 1986 (Board Approval) January 1987 (Groundbreaking) December 1987 (First Unit Shipped) |
| No. of Employees: | 828 |
| Address: | Erskine Ferry Road Bishopton Renfrewshire PA7 5PP |
| International Service Profile | |
| No. of Employees: | 253 |
| Address: | Wallace View Hillfoots Road Stirling FK9 5PY |

will bring maximum light into the manufacturing areas.

The new system is expected to yield significantly improved light quality with less glare and fewer shadows, creating a more pleasant working environment.

The operation of this innovative system will be closely monitored for eventual incorporation in future CCM building designs world-wide.

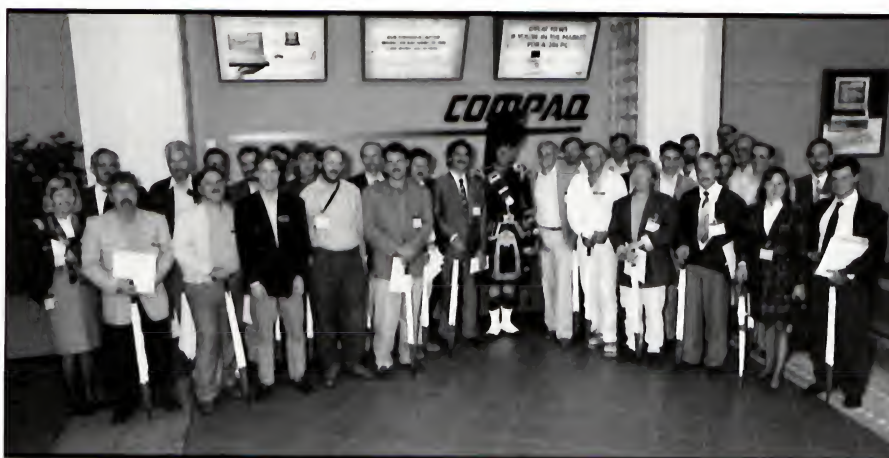
"Low down" on October company meeting

Anticipation and excitement are always in the air at Compaq Scotland immediately prior to the company's employee meetings. Participation is typically the order of the day, with both presenters and audience entering into the spirit of the occasion.

The third company meeting of the year, held Oct. 15 in the almost-completed Phase III building, was no exception. Greeted by a Caribbean steel band setting the calypso theme, employees took their seats for "regular" business updates. The main item was, of course, the COMPAQ LTE 386s/20 introduction.

Once serious business had been concluded, a limbo dancing contest was announced by Managing Director John Dolan. The lure of prizes described as symbolizing the "fruits of the Caribbean" proved too tempting for the gathered employees.

The fact that the day's trophies were gigantic bananas and bottles of "Malibu" (a Caribbean beverage featuring coconut and banana) only added to the fun!



The tremendous growth of Compaq Scotland has prompted visits from many "tour groups," including this team from Compaq Switzerland.

Solar power brightens main campus

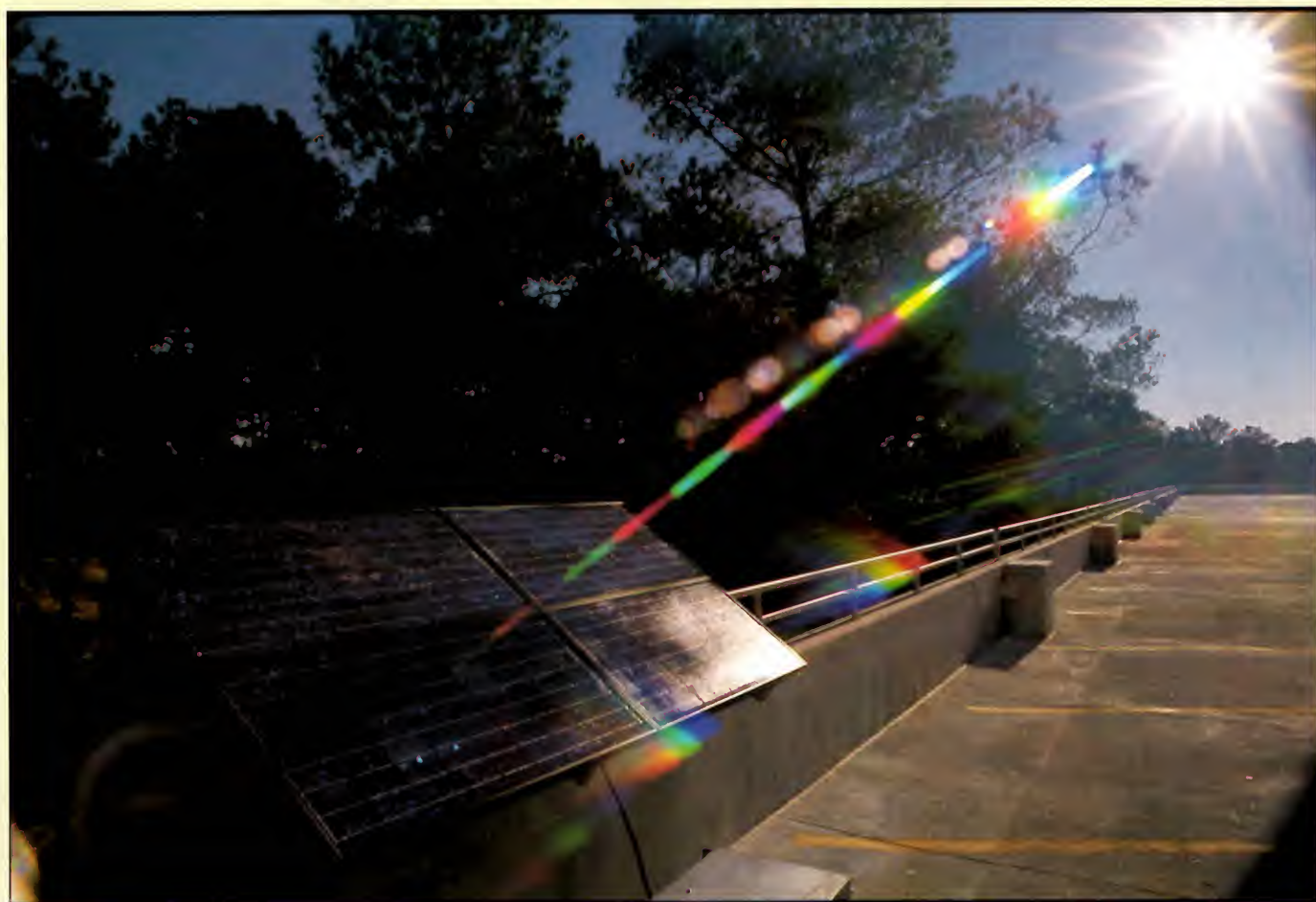
Only in recent years has the power of the sun been tamed and turned into usable, affordable electrical energy for modern uses. It seems only fitting that a leader in high technology such as Compaq is using this energy-efficient source of power to light part of its campus.

Twenty-one street lights on the company's North Campus in Houston are powered by solar energy. Four- and eight-panel solar arrays gather the sun's energy during the day to power the street

Twenty-one street lights on the company's North Campus in Houston are powered by solar energy.

lamps at night. The energy is stored in battery boxes. These lights are called photovoltaic-powered street lights.

It takes one four-panel array to gather enough of the sun's energy to power one light. Each of these stationary arrays is placed as close as possible to the street light it powers. Because the Compaq main campus is so heavily wooded, trees surround some of the lights. Instead of cutting down trees to install solar arrays, more powerful



eight-panel arrays are placed in the nearest clearing and four-panel arrays are placed on top of nearby parking

garages. They are connected to the street lights with electrical wire. These arrays swing on their poles and track the sun all day.

The solar-powered street lights save 91 percent of the energy used by regular lights. This saves enough energy to power two average homes per day.

The solar arrays collect photons (light) from the sun, which are converted into electrical energy. Even on rainy days, light comes through the clouds and is collected – just not as much as on bright days. The battery boxes store enough energy to power the lights for 10 days without any new photons – which would happen only if the sun had disappeared from the sky.

A few years ago, solar power was too expensive to be a viable energy source. The price has dropped from \$20 per watt to about \$5 per watt.

"I think people will like the quality of the light and will certainly like the energy saving," Jackson says. "Once again, Compaq is leading the way in environmental responsibility."

A Heavenly Perspective



The signature Compaq arch now crops up in Compaq facilities around the world – from Singapore to Scotland.

The solar-powered street lights save 91 percent of the energy used by regular lights.

Regular street lights are powered by 120 volts at 400 watts. The new high-efficiency fluorescent dual-bulb lights use 39 watts at 12 or 24 volts.

"They put out a soft, pleasant light," says Michael Jackson, New Construction Project Manager. "They're not quite as bright as regular street lights, but all we're trying to do is light the road – not the surrounding areas."

Holiday mail presents problems

Although it may be tempting to direct your Christmas mail and packages to your work address, such directions may not represent the fastest way of obtaining your items.

The Compaq Non-Production Receiving areas and Mail Services are

not equipped or staffed to handle any personal packages or large quantities of personal mail.

To ensure that we continue to do business effectively over the holiday period, please have all holiday packages, presents, etc. sent to your home address.

COMPAQ